Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

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DA 10-1916

Released: October 5, 2010

DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF REDWOOD COUNTY TELEPHONE COMPANY AND REDWOOD LONG DISTANCE COMPANY BY ARVIG ENTERPRISES, INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 10-201

Comments Due: October 19, 2010

Reply Comments Due: October 26, 2010

On September 23, 2010, Redwood County Telephone Company (Redwood), and its wholly owned subsidiary, Redwood Long Distance Company (Redwood LD), and Arvig Enterprises, Inc. (Arvig) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer assets of Redwood and Redwood LD to Arvig.¹

Applicants do not seek streamlined processing for this application under section 63.03(b) of the Commission's rules.² Redwood, a Minnesota corporation, is a rural incumbent local exchange carrier (LEC) serving the Belview, Echo, Falls Junction, Morgan, Red-Del, Seaforth, Vesta, Wabasso, Walnut Grove, and Wood Lake exchanges in south central Minnesota. Redwood LD provides interstate services in these exchanges. Arvig, a Minnesota corporation, provides incumbent LEC, competitive LEC, and long distance services in Minnesota. Arvig owns a one third indirect interest in Hector Communications Corporation, the parent company of Sleepy Eye Telephone Company, an incumbent local exchange carrier. Sleepy Eye Telephone Company serves the Sleepy Eye exchange, which is adjacent to the Redwood exchanges. Arvig's competitive LEC operations, which are provided by its subsidiary, Tekstar Communications, Inc., do not overlap with the Redwood exchanges. Because of the incumbent LEC adjacent service areas the Applicants have identified, this application is not entitled to presumptive streamlined treatment.³

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants also filed applications for assignment of assets and licenses associated with international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other pending applications.

² 47 C.F.R. § 63.03(b).

³ 47 C.F.R. § 63.03(b)(2)(iii). Arvig has also filed a domestic section 214 application to acquire control of Clements Telephone Company. Clements Telephone Company is an incumbent LEC serving the Clements exchange in south central Minnesota and is owned by the same stockholders as Redwood. The Clements exchange is adjacent to Redwood's Morgan exchange and the Sleepy Eye exchange. Application of Clements Telephone Company for Domestic Section 214 Authorization for a Transfer of Control, WC Docket No. 10-202 (filed Sept. 23, 2010).

Allen R. Arvig, a. U.S. citizen, owns 29.342% of Arvig, and his family members identified in the application, all U.S. citizens, each own less than 10 percent of the common stock of the company. The Arvig Employee Stock Ownership Plan, a Minnesota entity, owns 36.706% of Arvig. The sole trustee of the Arvig Employee Stock Ownership Plan is Horizon Bank, N.A. d/b/a Horizon Trust and Investment Management, an Indiana entity.

Pursuant to the terms of the proposed transaction, Redwood Tel Acquisition, Inc., a Minnesota corporation and wholly owned subsidiary of Arvig formed to acquire the assets of Redwood, will acquire all of Redwood's assets except certain non-telecom assets. Redwood LD Acquisition, Inc., a Minnesota corporation and wholly owned subsidiary of Arvig formed to acquire the assets of Redwood LD, will acquire those assets. Applicants state that the proposed transaction is in the public interest because it will be transparent to customers who will benefit from Arvig's financial, managerial, and technical resources in providing high quality, rural local exchange and long distance services. It further states that the proposed transaction will not harm competition in the Redwood exchanges.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before October 19, 2010** and reply comments **on or before October 26, 2010**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's e-Rulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

Under the Commission's procedures for the submission of filings and other documents, submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://fjallfoss.fcc.gov/ecfs2/ or the Federal eRulemaking Portal: http://www.regulations.gov.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of <u>before</u> entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

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